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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re

Genesis Global Holdco, LLC, *et al.*,

Debtors.¹

Chapter 11

Case No. 23-10063 (SHL)

Jointly Administered

Re: Docket No. 993

**RESERVATION OF RIGHTS OF THE AD HOC GROUP OF GENESIS LENDERS TO
CONFIRMATION OF THE DEBTORS' AMENDED JOINT CHAPTER 11 PLAN**

The Ad Hoc Group of Genesis Lenders (the “Ad Hoc Group”) hereby submits this reservation of rights (this “ROR”) to confirmation of the *Debtors’ Amended Joint Chapter 11 Plan* [Docket No. 993] (the “Plan”)² filed by the debtors and debtors-in-possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”). In support of this ROR, the Ad Hoc Group respectfully states as follows:

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s tax identification number (as applicable) are: Genesis Global Holdco, LLC (8219); Genesis Global Capital, LLC (9564); and Genesis Asia Pacific Pte. Ltd. (2164R). For the purpose of these Chapter 11 Cases, the service address for the Debtors is 250 Park Avenue South, 5th Floor, New York, NY 10003.

² Capitalized terms used but not defined herein shall have the meanings given to them in the Plan.

PRELIMINARY STATEMENT

1. The Ad Hoc Group is supportive of the substance of the plan. However, the Plan contains certain releases of the Debtors' current and former employees, officers, and directors (the "Released Personnel") that are not in the best interests of the estate, and, at this time, cannot be justified. Accordingly, the Plan should be modified to either remove such releases or to require additional value be provided in exchange for such releases, including, without limitation, a cooperation agreement in form and substance acceptable to the PA Officer being executed by potential Released Personnel.

2. As the Court is aware, the Ad Hoc Group represents creditors holding approximately \$2.5 billion in claims against Genesis Global Capital, LLC ("GGC"), including majorities in amount of asserted USD, Bitcoin, and Ethereum claims against GGC. Since shortly after the freeze of withdrawals and loan repayments by GGC in November 2022, the Ad Hoc Group has been intimately involved in negotiations with the Debtors regarding a potentially consensual holistic restructuring of the claims asserted against the Debtors. In negotiating the Plan, the Debtors sought releases for the Released Personnel. The Ad Hoc Group required that such releases be properly justified.

3. The Debtors' purported justifications for the release of the Released Personnel are insufficient and do not show that such releases are necessary for consummation of the Plan, or in the best interests of the estate. Specifically, the Debtors' justifications are premised on the fact that the Released Personnel have worked for the Debtors during the cases (although they will provide no services going forward and received compensation for such work), and the view that any claims or causes of action against the Released Personnel will not produce a material recovery for the Debtors' estates and creditors. The Debtors also attempt to justify such releases on the

basis that the Released Personnel “have knowledge and insight into the Debtors’ business and transactions that may be critical to the resolution of litigation against the DCG Parties and the Gemini Parties” *Plan Supplement for the Debtors’ Amended Joint Chapter 11 Plan* [ECF No. 1117, Ex. F]. While such information may indeed be valuable to the Debtors’ estates, as officers and employees being paid throughout these chapter 11 cases, it is their duty to provide and produce such information for the benefit of the Debtors’ creditors. Moreover, the releases proposed to be provided to the Released Personnel are not dependent upon actually assisting with the litigation or otherwise providing the Debtors’ estates with such valuable information and insight.

4. Debtor releases of estate claims and causes of action must be in the best interests of the estate, and the Debtors simply have not sustained their burden of proof that releasing the Released Personnel is beneficial. Without more information being provided by the Debtors, as well as the affirmative obligation to assist in the prosecution of estate claims and causes of action, it appears that the Released Personnel are providing no value in exchange for such releases, and the Plan must be amended to remove such releases. The Ad Hoc Group reserves the right to withdraw this ROR upon the Debtors providing additional and verifiable justification.

RESERVATION OF RIGHTS

5. The Ad Hoc Group reserves all rights to supplement this ROR based upon further amendments that may be made to the Plan, and make any argument with respect to the proposed releases at the confirmation hearing.

Dated: February 5, 2024
New York, New York

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